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July 2002

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND**

**\$13.58 /CWT
\$1.18 /LB**

EFFECTIVE JULY 1, 2002:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.58 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 11.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.18.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.87 /CWT

Average spray process dry milk solids
price per pound = \$0.93375
Multiplied by 8.2 x 8.2

\$7.65680

\$7.65680

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.00550
Multiplied by 4.2 x 4.2

\$4.22310

+ \$4.22310

LESS a make allowance of 8.5% (\$11.8799 X .085)

\$11.87990

- \$1.00979

\$10.87011

Rounded to the nearest whole cent = **\$10.87 /hundredweight.**

CLASS II BUTTERFAT PRICE PER POUND**\$1.12 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.00550	X .111)	=
Rounded to the nearest half cent				=
				\$0.11161
				\$0.112

Butterfat value per pound		
for milk at 3.5% test:	\$1.12	

Hundredweight price of milk testing 3.5%		=	\$10.87
LESS 3.5 pounds of butterfat at	\$1.12 per pound	-	\$3.920
Value of 96.5 pounds of skim		=	\$6.950

CLASS II VALUE OF

ONE POUND OF SKIM	6.950 / 96.5 pounds)	=	\$0.07202 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.28 /CWT**

3.5 pounds of butterfat	\$0.90 per pound =	\$3.150
96.5 pounds of skim	\$0.06355 per pound =	\$6.133
		\$9.283 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.90 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.00550
LESS 10%	-	\$0.10055
		\$0.90495

Rounded to the nearest whole cent	=	\$0.90 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.35510 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.93375
Multiplied by 8.2	8.2
	\$7.65675
LESS 17%	\$1.30165
	\$6.35510

Rounded to the nearest whole cent	\$6.36 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.58 FOR 3.5% MILK 96.5 LBS = \$9.450		CLASS II SKIM PRICE BASED ON \$10.87 FOR 3.5% MILK 96.5 LBS = \$6.950		CLASS III SKIM PRICE BASED ON \$9.28 FOR 3.5% MILK 96.5 LBS = \$6.133	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09692	2.50	\$0.07128	2.50	\$0.06290
2.55	\$0.09697	2.55	\$0.07132	2.55	\$0.06293
2.60	\$0.09702	2.60	\$0.07136	2.60	\$0.06296
2.65	\$0.09707	2.65	\$0.07139	2.65	\$0.06300
2.70	\$0.09712	2.70	\$0.07143	2.70	\$0.06303
2.75	\$0.09717	2.75	\$0.07147	2.75	\$0.06306
2.80	\$0.09722	2.80	\$0.07150	2.80	\$0.06309
2.85	\$0.09727	2.85	\$0.07154	2.85	\$0.06313
2.90	\$0.09732	2.90	\$0.07158	2.90	\$0.06316
2.95	\$0.09737	2.95	\$0.07161	2.95	\$0.06319
3.00	\$0.09742	3.00	\$0.07165	3.00	\$0.06322
3.05	\$0.09747	3.05	\$0.07169	3.05	\$0.06326
3.10	\$0.09752	3.10	\$0.07172	3.10	\$0.06329
3.15	\$0.09757	3.15	\$0.07176	3.15	\$0.06332
3.20	\$0.09762	3.20	\$0.07180	3.20	\$0.06335
3.25	\$0.09767	3.25	\$0.07183	3.25	\$0.06339
3.30	\$0.09772	3.30	\$0.07187	3.30	\$0.06342
3.35	\$0.09778	3.35	\$0.07191	3.35	\$0.06345
3.40	\$0.09783	3.40	\$0.07195	3.40	\$0.06349
3.45	\$0.09788	3.45	\$0.07198	3.45	\$0.06352
3.50	\$0.09793	3.50	\$0.07202	3.50	\$0.06355
3.55	\$0.09798	3.55	\$0.07206	3.55	\$0.06358
3.60	\$0.09803	3.60	\$0.07210	3.60	\$0.06362
3.65	\$0.09808	3.65	\$0.07213	3.65	\$0.06365
3.70	\$0.09813	3.70	\$0.07217	3.70	\$0.06368
3.75	\$0.09818	3.75	\$0.07221	3.75	\$0.06372
3.80	\$0.09823	3.80	\$0.07225	3.80	\$0.06375
3.85	\$0.09828	3.85	\$0.07228	3.85	\$0.06378
3.90	\$0.09834	3.90	\$0.07232	3.90	\$0.06382
3.95	\$0.09839	3.95	\$0.07236	3.95	\$0.06385
4.00	\$0.09844	4.00	\$0.07240	4.00	\$0.06388
4.05	\$0.09849	4.05	\$0.07243	4.05	\$0.06392
4.10	\$0.09854	4.10	\$0.07247	4.10	\$0.06395
4.15	\$0.09859	4.15	\$0.07251	4.15	\$0.06398
4.20	\$0.09864	4.20	\$0.07255	4.20	\$0.06402
4.25	\$0.09869	4.25	\$0.07258	4.25	\$0.06405
4.30	\$0.09875	4.30	\$0.07262	4.30	\$0.06408
4.35	\$0.09880	4.35	\$0.07266	4.35	\$0.06412
4.40	\$0.09885	4.40	\$0.07270	4.40	\$0.06415
4.45	\$0.09890	4.45	\$0.07274	4.45	\$0.06418
4.50	\$0.09895	4.50	\$0.07277	4.50	\$0.06422

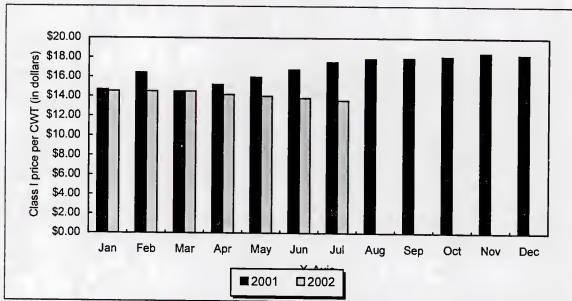
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2001 and 2002

Statistics from the Montana Milk Control Bureau

Month	2001	2002	Difference	% Change
January	\$14.68	\$14.53	(\$0.15)	-1.02%
February	\$16.43	\$14.51	(\$1.92)	-11.69%
March	\$14.49	\$14.50	\$0.01	0.07%
April	\$15.20	\$14.17	(\$1.03)	-6.78%
May	\$15.99	\$14.02	(\$1.97)	-12.32%
June	\$16.76	\$13.81	(\$2.95)	-17.60%
July	\$17.54	\$13.58	(\$3.96)	-22.58%
August	\$17.89			
September	\$17.95			
October	\$18.11			
November	\$18.48			
December	<u>\$18.31</u>			
Average	\$16.82	\$14.16	(\$1.71)	-10.27%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

APRIL 2002: class I = \$8.94; class II = \$1.35; Class III = \$2.59; total = \$12.89

(calculations based upon utilization percentages of butterfat & skim)